CHILDREN AND FAMILIES

Budget Summary

Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	Joint Finance Change to: Governor Amount	Governor Percent	Base Amount	Base Percent
GPR	$716,221,000	$857,058,200	$864,322,100	$7,263,900	0.8%	$148,101,100	20.7%
FED	1,372,503,800	1,389,793,200	1,383,834,500	- 5,958,700	- 0.4	11,330,700	0.8
PR	201,578,400	228,623,900	229,785,500	1,161,600	0.5	28,207,100	14.0
SEG	18,679,400	18,544,400	18,544,400	0	0.0	- 135,000	- 0.7
TOTAL	$2,308,982,600	$2,494,019,700	$2,496,486,500	$2,466,800	0.1%	$187,503,900	8.1%

FTE Position Summary

Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	Joint Finance Change to: Governor	2014-15 Base
GPR	220.90	231.92	231.92	0.00	11.02
FED	378.81	370.27	374.27	4.00	- 4.54
PR	203.40	189.82	190.82	1.00	- 12.58
TOTAL	803.11	792.01	797.01	5.00	- 6.10

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS

	Funding	Positions
GPR	$639,000	0.00
FED	549,400	- 6.00
PR	611,200	0.00
Total	$1,799,600	- 6.00

Governor/Joint Finance: Make adjustments to the base budget of $955,600 in 2015-16 and $844,000 in 2016-17 for: (a) turnover reduction (-$246,500 GPR and -$281,200 PR annually); (b) removal of non-continuing items (-$206,500 FED and -6.00 FED positions in 2016-17); (c) full funding of continuing position salaries and fringe benefits ($122,600 GPR, $242,100 FED, and $382,200 PR annually); (d) overtime ($237,500 GPR, $20,700 FED, and $4,200 PR annually); (e) night and weekend differential ($130,000 GPR, $11,300 FED, and $1,300 PR annually); (f) full funding of lease and directed moves costs ($61,500 GPR, $89,000 FED, and $180,900 PR in 2015-16 and $90,300 GPR, $118,700 FED, and $217,300 PR in 2016-17); and (g) minor transfers within the same appropriation. These amounts do not include adjustments for administrative costs of the Wisconsin Shares child care subsidy program or the Wisconsin Works (W-2) program ($109,900 FED in 2015-16 and $93,200 FED in 2016-17), which are included in separate entries under "Economic Support and Child Care."

2. LAPSE REQUIREMENT

Governor/Joint Finance: Specify that the 2013 Act 145 requirement that the Department of Children and Families (DCF) annually lapse $592,200 to the general fund from the unencumbered balances of GPR and PR appropriations in 2015-16 would also apply to 2016-17. [See "Budget Management and Compensation Reserves."]

3. ELIMINATE LONG-TERM VACANCIES

	Funding	Positions
GPR	- $144,600	- 1.02
FED	0	- 6.48
PR	0	- 9.60
Total	- $144,600	- 17.10

Governor/Joint Finance: Eliminate 1.02 GPR, 6.48 FED, and 9.60 PR positions that have been vacant for twelve months or longer. Decrease funding by $72,300 GPR annually.

4. TRANSFER VACANT POSITION TO DEPARTMENT OF ADMINISTRATION FOR INFORMATION TECHNOLOGY PROCUREMENT [LFB Paper 113]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- $170,800	- 1.00	$170,800	1.00	$0	0.00

Governor: Transfer 1.0 vacant position to the Department of Administration (DOA) for strengthening information technology and services procurement. Delete $85,400 annually from DCF's administrative and support services appropriation associated with the position. [See "Administration -- Transfers."]

Joint Finance: Delete provision.

5. CONSOLIDATE MARKETING SERVICES IN TOURISM [LFB Paper 627]

	Position
FED	- 1.00

Governor: Delete 1.0 position identified by the administration as being generally related to marketing or communications. The position would be deleted from DCF's economic support federal block grant operations appropriation. Associated funding ($62,800 annually) would be reallocated from permanent position salaries and fringe benefits to supplies and services.

The provision is intended to consolidate various functions related to marketing of the state or state agency services in the Department of Tourism, which currently markets the state as a destination for tourists and other travelers. Tourism would be provided staffing and funding for an Office of Marketing, and Tourism would charge agencies for marketing services. The bill would not provide for the transfer of any incumbent employees to Tourism. Additional information on the Office of Marketing is available under "Tourism."

Joint Finance: Modify the Governor's recommendation by deleting funding associated with the positions, rather than reallocating funding to supplies and services. The funding decrease is included in a separate entry under "Economic Support and Childcare -- Child Care Administration."

6. FEDERAL AND PROGRAM REVENUE REESTIMATES [LFB Paper 195]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$10,248,100	$0	$10,248,100
PR	7,470,300	- 1,956,000	5,514,300
Total	$17,718,400	- $1,956,000	$15,762,400

Governor: Provide increases of $9,452,000 ($5,710,800 FED and $3,741,200 PR) in 2015-16 and $8,266,400 ($4,537,300 FED and $3,729,100 PR) in 2016-17 to reflect the reestimates in the following table:

Program and Federal Revenue Reestimates

	2015-16	2016-17
Abstinence Grant Funding (FED)	-$622,500	-$622,500
Child Abuse Prevention and Treatment Act (CAPTA) Funding (FED)	24,700	24,700
CAPTA Training and Technical Assistance Funding (FED)	13,700	13,700
Chafee Education and Training Vouchers Funding (FED)	18,000	18,000
Chafee Foster Care Independence Program Funding (FED)	-43,100	-43,100
Child Support State Operations (FED)	582,400	582,400
Child Support Local Assistance (FED)	-4,757,400	-4,805,900
Child Support Noncustodial Parent Employment Demonstration (FED)	425,000	400,000
Child Welfare Education Collaboration (FED)	-123,000	-123,000
Community Services Block Grant Funding (FED)	598,900	598,900
Domestic Abuse Funding (FED)	177,900	177,900
Home Visiting Funding for Program Operations (FED)	-500,000	-500,000
Home Visiting Funding for Aids to Localities (FED)	3,022,500	3,022,500
Race to the Top Funding (FED)	2,100,000	2,100,000
Refugee Assistance Funding (FED)	1,515,000	1,515,000
State Foster Care and Adoption Assistance (FED)	1,804,400	1,804,400
Title IV-B, Part 1 (FED)	-9,600	-9,600
Title IV-B, Part 2 (FED)	183,900	183,900
Title IV-E (FED)	1,300,000	200,000
Domestic Abuse Grants (PR)	-200,000	-200,000
Gifts and Grants (PR)	5,000	5,000
Income Augmentation Funds for Program Improvement Plan (PR)	-526,900	-526,900
Income Augmentation Funds for SAFE Milwaukee (PR)	850,000	850,000
Income Augmentation Funds for Offender Re-entry Program (PR)*	978,000	978,000
Project Launch (PR)	27,500	27,500
Race to the Top Funding (PR)	2,100,000	2,100,000
Social Services Block Grant Operations Funding (PR)	507,600	495,500
FED Total	$5,710,800	$4,537,300
PR Total	3,741,200	3,729,100
Total	$9,452,000	$8,266,400

*The Joint Committee on Finance transferred the income augmentation funding for the Milwaukee Offender program to the general fund in its meeting on November 12, 2014.

The table represents the most recent estimates of revenues that DCF anticipates would be received from ongoing federal grant and program funding. The largest revenue reestimate is federal matching funds for child support local assistance generated by county expenditures. The decrease represents an updated estimation of county expenditures and does not reflect a change in federal policy or a reduction in federal funding. These funds are deposited into a continuing all monies received appropriation; therefore any county expenditures above the estimated amount would generate additional federal matching funds which would be passed through to the counties.

Joint Finance: Reduce funding by $978,000 PR annually to remove the income augmentation funding for the Milwaukee Offender program that was transferred to the general fund by the Joint Committee on Finance in its meeting on November 12, 2014, and inadvertently reflected in the program revenue estimates under the bill.

7. POSITION AND FUNDING REALIGNMENT [LFB Paper 196]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $90,600	0.00	$0	0.00	- $90,600	0.00
FED	489,400	2.98	53,200	0.00	542,600	2.98
PR	- 328,800	- 2.98	- 53,200	0.00	- 382,000	- 2.98
Total	$70,000	0.00	$0	0.00	$70,000	0.00

Governor: Increase funding by $35,000 (-$45,300 GPR, $244,700 FED, and -$164,400 PR) annually, and add 2.98 FED positions and delete 2.98 PR positions, beginning in 2015-16, to more accurately reflect the needs and organizational structure of DCF. The adjustments reflect salary, fringe, supplies and services, and positions, but do not include adjustments for administrative costs of the Wisconsin Shares child care subsidy program or the W-2 program (-$34,700 FED annually), which are included in separate entries under "Economic Support and Child Care."

Joint Finance: Restore 0.50 FED position and delete 0.50 PR position ($53,200 FED and -$53,200 PR) in 2015-16 to reflect that the realignment for a position in the Bureau of Youth Services would begin in 2016-17 instead of 2015-16. The source of the federal funding is federal abstinence grant funds. In addition, in order to more accurately reflect the duties of the position, transfer $41,900 FED and 0.34 FTE position authority for a program and policy analyst position in the Bureau of Child Support from the economic support federal project activities and administration appropriation to the economic support child support state operations; federal funds appropriation.

8. SURPLUS RETENTION LIMITATIONS FOR PROVIDERS OF RATE-BASED SERVICES AND RATE-REGULATED SERVICES

Joint Finance: Modify statutory contracting requirements for rate-based services and rate-regulated services as detailed below. Specify that these changes would take effect on January 1, 2016, and would first apply to contracts commencing performance on that date.

Current law enables DCF, the Department of Health Services (DHS), the Department of Corrections (DOC), and counties to enter into rate-based contracts with private agencies (and counties) to provide social services, child welfare, economic support, public assistance, and correctional services to the public. Rate-based contracts procure client services on the basis of a unit rate per client. For proprietary agencies, such contracts provide a separate fixed add-on for profits. The Joint Finance provision would specify that a "rate-regulated service" means a rate-based service that is reimbursed through a rate established under s. 49.343 (rate regulation of residential care centers, group homes, and child welfare agencies by DCF).

Currently, nonprofit providers (and counties) are permitted to keep a portion of the excess revenue generated by a rate-based service. Retention of the surplus is meant to allow the provider to build a reserve that can be used to cover costs in other years for which the unit cost is inadequate to cover the costs under the contract. For DCF and DHS, retention of excess revenue has historically been limited by a two part test: a 5% annual limit and a 10% cumulative limit over four contract periods. Contracts may specify an annual retention limit lower than 5%. The Joint Finance provision would repeal the 10% cumulative limit and prevent purchasers (counties, DCF, DHS, and DOC) from negotiating contracts which set an annual retention limit smaller than 5%.

In calculating the retained amount for nonprofits and in calculating profits for proprietary agencies, the Joint Finance provision would permit agencies to: (a) offset surpluses and losses across all rate-regulated services; (b) offset surpluses in rate-regulated contracts generated by affiliated providers against deficits generated by affiliated providers (but not below zero); and (c) offset surpluses and deficits in both rate-based and rate-regulated contracts from a preexisting provider in the event of a merger, sale, or other transfer. If the surplus retained by a nonprofit provider for a rate-based service under all contract periods ending in the calendar year exceeds 5% of the total revenues under such contracts as of December 31, then the provider would have to provide written notice of the amount of the excess to all purchasers under those contracts. The provider would have to return a purchaser's proportional share of the overall excess if that purchaser provides a written request no later than six months after the date the purchaser receives the written notice of the excess.

The Joint Finance provision would also specify that that the retained surplus may be used for any allowable purpose under federal law in the sole discretion of the provider. Purchasers would not be entitled to restrict the use of the funds for such purposes. Further, the provision would specify that there would be no guarantee of a surplus under a contract for rate-based or rate-regulated services.

Children and Families

1. MILWAUKEE CHILD WELFARE [LFB Papers 200, 201, and 202]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- $873,000	11.04	$6,538,900	0.00	$5,665,900	11.04
FED	371,600	0.96	2,559,900	0.00	2,931,500	0.96
PR	1,773,000	0.00	3,000,000	0.00	4,773,000	0.00
Total	$1,271,600	12.00	$12,098,800	0.00	$13,370,400	12.00

Governor: Reduce funding by $365,200 (-$1,127,100 GPR, $2,000 FED, and $759,900 PR) in 2015-16 and increase funding by $1,636,800 ($254,100 GPR, $369,600 FED, and $1,013,100 PR) in 2016-17 to reflect the projected costs of aids, operations, and reorganizational expenses of the Bureau of Milwaukee Child Welfare (BMCW). In addition, create 11.04 GPR and 0.96 FED positions beginning 2015-16. The federal funding would be available under Title IV-E of the Social Security Act. The program revenue would be from child support and supplemental security income (SSI) benefits for children in out-of-home care that are retained by the state to offset the costs of providing out-of-home care to those children.

Division of Milwaukee Child Welfare. Increase funding by $102,200 GPR and $8,800 FED in 2015-16 and $136,300 GPR and $11,900 FED in 2016-17 to create a Division of Milwaukee Child Welfare in DCF and provide a 0.92 GPR and 0.08 FED administrator position beginning in 2015-16. Under current law, child welfare services are provided by BMCW in the DCF Division of Safety and Permanence. The bill would modify the organizational structure of DCF and increase the number of division administrator positions authorized to be employed outside the classified service in DCF from eight to nine.

Milwaukee Child Welfare Aids and Operations. Reduce funding by $476,200 (-$1,229,300 GPR, -$6,800 FED, and $759,900 PR) in 2015-16 and increase funding by $1,488,600 ($117,800 GPR, $357,700 FED, and $1,013,100 PR) in 2016-17 to reflect the following:

a. Projected changes in caseload and service expenditures (-$404,200 GPR and -$1,200,000 FED in 2015-16 and $941,500 GPR and -$856,100 FED in 2016-17);

b. Increases in aids contracts ($145,900 GPR and $156,100 FED annually);

c. Changes to federal Title IV-E claiming rates (-$971,000 GPR and $971,000 FED in 2015-16 and -$969,600 GPR and $969,600 FED in 2016-17);

d. The creation of 11.0 FTE positions (10.12 GPR and 0.88 FED) beginning in 2015-16 funded with $826,000 ($759,900 GPR and $66,100 FED) in 2015-16 and $1,101,200 ($1,013,100 GPR and $88,100 FED) in 2016-17 to improve the review of cases of potential or reported child abuse and neglect; and

e. The transfer of increased child support collections between aids appropriations to fund the reassignment of GPR for the positions described above (-$759,900 GPR and $759,900 PR in 2015-16 and -$1,013,100 GPR and $1,013,100 PR in 2016-17).

Joint Finance: Modify the Governor's recommendations as follows.

Division of Milwaukee Child Welfare. Require that the restructuring of BMCW into a division may not change the responsibilities and duties of the Milwaukee Child Welfare Partnership Council. Also, make a technical correction to change the 0.08 GPR administrator position from classified to unclassified.

Milwaukee Child Welfare Operations. Provide $500,000 GPR annually to the Joint Committee on Finance's GPR supplementation appropriation for enhanced employee retention policies at BMCW consistent with the 2015-17 compensation plan adopted by Joint Committee on Employment Relations (JOCER). Require DCF to submit a retention plan for approval by the Joint Committee on Employment Relations (JOCER). Upon approval by JOCER, all funds would be released to DCF.

Milwaukee Child Welfare Aids. Increase aids funding by $6,894,200 ($2,468,600 GPR, $1,425,600 FED, and $3,000,000 PR) in 2015-16 and increase funding by $5,204,600 ($4,070,300 GPR and $1,134,300 FED) in 2016-17 in order to support:

a. Reestimated out-of-home care costs for foster care, supervised independent living placements, and out-of-state residential care centers ($2,927,800 GPR, $1,402,600 FED, and $3,000,000 PR in 2015-16 and $4,529,500 GPR and $1,111,300 FED in 2016-17);

b. Projected changes in caseload and service expenditures in the wraparound program (-$1,342,100 GPR and -$91,500 FED annually); and

c. Reestimated costs of aids contracts ($882,900 GPR and $114,500 FED annually).

2. FOSTER CARE, ADOPTION ASSISTANCE, AND SUBSIDIZED GUARDIANSHIP

FED	- $7,381,700

Governor/Joint Finance: Decrease funding by $3,842,100 in 2015-16 and $3,539,600 in 2016-17 based upon reestimate of state adoption, foster care, and subsidized guardianship caseloads and federal claiming rates. The anticipated reduction in state spending on caseloads would be repurposed to fund anticipated increases in special needs adoptions contracts. The estimated decrease in caseloads and decrease in state spending on foster care, adoption assistance, and subsidized guardianship results in a decrease of federal matching funds made available under Title IV-E of the Social Security Act.

3. OUT-OF-HOME CARE EXTENSION [LFB Paper 203]

GPR	$1,879,400
FED	437,900
Total	$2,317,300

Governor: Increase funding by $1,066,400 ($868,500 GPR and $197,900 FED) in 2015-16 and $1,250,900 ($1,010,900 GPR and $240,000 FED) in 2016-17 to fund the extension of out-of-home care to certain youth over the age of 18 who would otherwise "age out" of foster care. Funding would support the second and third years of the four-year phase-in of the extension under 2013 Act 334. The funding would not, however, support monthly case management services for such persons. The federal funding is provided under Title IV-E of the Social Security Act.

The bill would require DCF to promulgate rules governing the provision of subsidized guardianship payments, kinship care payments, and adoption assistance to any child 18 years of age or older. The bill would also make the below described changes to statutory provisions relating to the extension of out-of-home care to individuals older than 18.

Extension of Out-of-Home Care. Under current law, children may be placed in out-of-home care by the juvenile court by: (a) a child in need of protective services court order (generally when the removal of a child from his or her home and placement into out-of-home care is necessary to assure the child's safety); (b) a juvenile in need of protection or services court order, as a result of certain behaviors, including being uncontrollable, running away, or truancy; or (c) a delinquency court order, as a result of a criminal act. A child may also be placed outside the home via a voluntary placement agreement between a parent and a caregiver and involving a child welfare agency.

Unless the judge specifies a shorter period of time, a dispositional court order that places, or continues placement of, the child in out-of-home care terminates on the latest of the following dates: (a) the day the child reaches 18 years of age; (b) one year after the order is entered; or (c) the day the child is granted a high school or high school equivalency diploma or, if earlier, the day the child reaches 19 years of age. Act 334 permits a child who is in out-of-home care and who has an individualized education program (IEP) to continue in such care until the child is granted a high school diploma or its equivalent or until he or she reaches 21 years of age, whichever occurs first, if: (1) the child is a full-time student at a high school or its vocational or technical equivalent (full-time student); and (2) the child is 17 years of age or older when the dispositional order is entered and the child (or the child's guardian) agrees to the order. A dispositional order may be extended upon request, or on the court's motion, for a hearing for review.

For those in out-of-home care whose dispositional order would terminate after attaining the age of 18, not less than 120 days before the dispositional order terminates, the agency primarily responsible for providing services under the order must request that the youth indicate whether he or she wishes to be discharged from out-of-home care or wishes to continue in out-of-home care under a voluntary transition-to-independent-living agreement. If the child wishes to continue in out-of-home care, the agency will enter into such an agreement. Otherwise, the agency must request a transition-to-discharge hearing (and provide services to assist the youth's transition out of the out-of-home care system into independent living).

The bill would clarify that the above process for extending out-of-home care also applies to persons in shelter care placements on the date the juvenile court's order expires.

Transition-to-Independent-Living Agreements. As stated above, extended placement in out-of-home care can be provided through a court order or a transition-to-independent living agreement. Under a transition-to-independent-living agreement, the agency provides services to the person to assist him or her in transitioning to independent living while remaining within the out-of-home care system. The youth may continue in out-of-home care as a full-time student under an IEP until reaching 21 years of age or attaining a high school or high school equivalency diploma.

The bill would: (a) require the agency executing the transition-to-independent-living agreement to petition the juvenile court for a hearing (and provide notice to the child and guardian); (b) require the juvenile court to determine whether placement of the child in out-of-home care under the agreement is in the best interests of the child (best interest hearing); (c) provide that if DCF, the Department of Corrections (DOC), or a county enters into such an agreement with a child, the agreement must specifically state that DCF, DOC, or the county has placement and care responsibility for the child and has primary responsibility for providing services to the child; and (d) create an appeal procedure under which any person who is aggrieved by the failure of an agency to enter into such an agreement or by an agency's termination of such an agreement has the right to a contested case hearing under the state laws of administrative procedure.

Under current law, during the 90 days immediately preceding the termination of the juvenile court order placing the child in out-of-home-care, the agency primarily responsible for providing services to the youth must provide assistance and support in developing a plan for the youth's transition from out-of-home care to independent living. The bill would require the agency to also provide such services during the 90 days immediately preceding the termination of a voluntary transition-to-independent-living agreement.

Permanency Plan and Review. Under current law, for each child placed in out-of-home care under a juvenile court order or under a voluntary agreement, the agency assigned the responsibility for placing or providing services to the child must prepare a written permanency plan. Permanency plans must be reviewed by the court (or a panel appointed by the court) no later than six months after removal from the home and every six months thereafter for as long as the child is placed outside of the home. The court is required to hold a permanency hearing within 12 months after removal and at least every 12 months thereafter. This hearing may be held either in place of, or in addition to, a review.

Under current law, the permanency plan identifies the goal for a permanent placement for the child and the services to be provided to achieve the permanence goal. Permanence goals can include: (a) reunification with the child's family; (b) permanent placement with a fit and willing relative; (c) placement of the child for adoption; (d) placement of the child with a guardian; (e) some other planned permanent living arrangement that includes an appropriate, enduring relationship with an adult, including sustaining care or long-term foster care; or (f) transition to independent living if the child has attained 18 years of age.

The bill would require a permanency plan to be prepared for a child who is placed outside the home under a voluntary transition-to-independent-living agreement. The bill would also modify the allowable goals of permanency plans. Goal (f), above, would be repealed. Instead, goal (e) would be amended to remove long-term foster care and substitute the goal of transitioning to independence (at any age).

Under current law, if the youth is subject to an order which would terminate as a result of the youth attaining a high school diploma or reaching the age of 21, then the court (or panel) must review the appropriateness of the transition-to-independent-living plan, the extent of compliance with that plan, and the progress toward making the transition to independent living. The bill would similarly require review when the youth is the subject of transition-to-independent-living agreement.

Under current law, if the youth has been outside the home for 15 or more months out of the most recent 22 months, then the court (or panel) must also review the appropriateness of the permanency plan and the circumstances preventing the achievement of its goals. The bill would include into such reviews the goal of transitioning to independent living and the circumstances which are preventing such transition.

Adoption Assistance and Subsidized Guardianship. In order to assure the adoption of children with special needs, DCF makes monthly adoption assistance maintenance payments to the adoptive or proposed adoptive parents of a child after an adoption agreement has been signed and the child is placed in their home. Monthly adoption assistance payments range from $0 to $2,000, depending on the applicable uniform foster care rate in effect at the time the adoption agreement was made, the circumstances of the adoptive parents, and the needs of the child.

Subsidized guardianship is a permanent placement option for children in out-of-home care that transfers legal authority to a relative or guardian without terminating parental rights. Payments are provided to guardians under a subsidized guardianship agreement if certain conditions are met. The initial amount of the monthly payment is based on the circumstances of the guardian and the needs of the child but may not exceed the monthly foster care payment received in the month immediately preceding the guardianship order.

Federal law requires that any extension of foster care to children over the age of 18 also apply to adoption agreements and subsidized guardianship agreements executed after the child attains the age of 16. 2013 Act 334 did not expressly provide for such an extension. Current law generally provides that subsidized guardianship and adoption assistance payments end when the child attains 18 years of age. Adoption assistance and subsidized guardianship may be continued after the adoptee reaches the age of 18 if that adoptee is a full-time high school student.

The bill would conform the extension of out-of-home care under Act 334 to federal law by expanding adoption assistance and subsidized guardianship payments to youth up to the age of 21 who are full-time students with an IEP whose adoption or subsidized guardianship agreement came into effect after age 16.

Further, the bill would clarify and codify current law and administrative rules such that subsidized guardianship payments may be made and adoption assistance may be provided after age 18 for youth: (a) under the age of 19 who are full-time students at a secondary school, or its vocational or technical equivalent, and are reasonably expected to complete school prior to the age of 19; and (b) under 21 years of age who are full-time students, have a mental or physical disability that warrants the continuation of payments, are not eligible for social security disability insurance or supplemental security income payments, and otherwise lack adequate resources to continue in secondary school or its vocational or technical equivalent. The bill would make clear that full-time students qualify for the above extensions at the vocational or technical equivalent of high school.

Kinship Care. The kinship care program is designed to help support a child who resides outside of the home with a relative, rather than placing the child in foster care or other out-of-home placement. The relative does not necessarily assume guardianship of the child. Kinship care relatives who provide care and maintenance for one or more children may receive a payment of $232 per child per month if certain requirements are met.

Under current law, kinship care payments generally end when the child attains 18 years of age. However, kinship care payments may be made until: (a) the child attains 19 years of age if the child is a full-time student reasonably expected to graduate; or (b) the child attains 21 years of age if the child is a full-time student and an IEP is in effect for the child.

The bill would modify (b) above, such that an extension of payments until age 21 requires as a condition for eligibility that the child be placed in the home of the kinship care relative under either an order of the court or under a voluntary transition-to-independent-living agreement.

Community-Based Residential Facility Exception. A community-based residential facility (CBRF) is a place where adults reside and receive care, treatment, and services that are above the level of room and board, including up to three hours of nursing care per week. A CBRF may admit and provide services for various persons, such as those with advanced age, mental health problems, or physical disabilities.

Under current law, subject to certain exceptions, a facility where five or more adults (who do not require care above intermediate level nursing care) reside and receive care, treatment, or services that are above the level of room and board must be licensed as a community-based residential facility. The bill would provide an exception for foster homes, group homes, and residential care centers such that they would not have to be licensed as a CBRF in order to provide care to youth over the age of 18 pursuant to a voluntary transition-to-independent living agreement, under a juvenile court order, or under the placement and care responsibility of another state. Foster homes, group homes, and residential care centers would continue to be licensed as such by DCF.

Joint Finance: Modify the language of the bill to provide a more limited exception from CBRF licensing so that DCF licensed group homes and residential care centers would not have to be licensed through DHS as a CBRF in order to provide care pursuant to s. 48.366 or 938.366 of the statutes (extension of out-of-home care for youth with an IEP). Also, clarify that venue for a permanency hearing and review must be in the county in which the most recent dispositional order was issued.

Further, modify the bill to require that: (a) the agency must petition the juvenile court for a best interest hearing within 150 days of executing a voluntary transition-to-independent living agreement; (b) any determination by the court at the best interest hearing must be on a case-by-case basis based on circumstances specific to the child and must document or reference the specific information on which the findings are based; (c) the agency must provide the specific information regarding why the placement is in the child's best interest; (d) the court must make the determination no later than 180 days into the voluntary placement; and (e) no continuance may be granted for a best interest hearing if the continuance would extend the hearing beyond 180 days of the child's voluntary placement. The above statutory changes would apply to both the children's code (Chapter 48) as well as the juvenile justice code (Chapter 938).

4. CHILDREN AND FAMILIES ALLOCATION (CFA)

GPR	- $6,250,000
FED	9,723,800
PR	- 1,192,400
Total	$2,281,400

Governor/Joint Finance: Increase funding by $1,140,700 (-$1,250,000 GPR, $2,794,900 FED, and -$404,200 PR) in 2015-16 and $1,140,700 (-$5,000,000 GPR, $6,928,900 FED, and -$788,200 PR) in 2016-17 for the children and families aids (CFA) allocation to reflect base reestimates. Also, make a revenue-neutral transfer of Adam Walsh funding of $135,900 ($99,200 GPR and $36,700 FED) annually from program operations into the CFA, which is used for finger printing prospective foster and adoptive parents as part of the background check process.

Aids funding received from the Social Services Block Grant (SSBG) would decrease by $404,200 PR in 2015-16 and $788,200 PR in 2016-17 due to: (a) a reduction in funds from the federal temporary assistance for needy families (TANF) block grant transferred by the Department of Health Services (DHS) for SSBG aids of $424,500 PR in 2015-16 and $790,800 PR in 2016-17; and (b) an increase of $20,300 PR in 2015-16 and $2,600 PR in 2016-17 in base funding received from DHS.

Funding would increase under Title IV-B, subpart 1 ($601,600 FED in 2015-16 and $505,600 FED in 2016-17) and IV-E ($943,300 in 2015-16 and $1,423,300 in 2016-17) of the Social Security Act to reflect CFA base reestimates for: (a) maintaining the ongoing costs of the foster care rate increase approved by 2013 Act 20; (b) maintaining the ongoing costs of the extension of out-of-home care (OHC) approved under 2013 Act 334; and (c) accounting for expected "sequestration" reductions in federal funding that did not occur.

Finally, an increase of funding received under Title IV-E would replace an equivalent amount of funding previously provided by GPR (-$1,250,000 GPR and $1,250,000 FED in 2015-16 and -$5,000,000 GPR and $5,000,000 FED in 2016-17).

Including that portion of the above described funding for the foster care out-of-home extension included within the CFA, the following table shows that the total CFA would be $68,264,800 in 2015-16 and $68,327,900 in 2016-17.

	2015-16	2016-17
Adjusted CFA Base (2014-15)	$67,591,700	$67,591,700
OHC Extension	537,200	600,300
Adam Walsh Funding Transfer	135,900	135,900
Total	$68,264,800	$68,327,900

5. CHILD PROTECTIVE SERVICES APPEALS

GPR	$175,400

Governor/Joint Finance: Provide $87,700 annually to support full implementation of the child protective services appeals process created in 2013 Wisconsin Act 20.

6. DOMESTIC ABUSE SERVICES FUNDING [LFB Paper 204]

GPR	$5,000,000

Governor/Joint Finance: Increase funding for domestic abuse grants by $5,000,000 in 2016-17 to enhance services to victims of domestic abuse and their families. Additional funding was recommended in the 2014-2020 Long Range Plan for a Safe Wisconsin, created by the Wisconsin Governor's Council on Domestic Abuse and End Domestic Abuse Wisconsin. The additional funding would be used to help maintain, strengthen and expand core services to serve domestic violence victims and their children. Total funding under the bill would be $9,557,600 ($7,434,600 GPR, $1,549,800 FED, and $573,200 PR) and $14,557,600 ($12,434,600 GPR, $1,549,800 FED, and $573,200 PR) in 2016-17.

7. SERVICES FOR CHILD VICTIMS OF SEX TRAFFICKING [LFB Paper 205]

GPR	$2,000,000

Governor/Joint Finance: Provide $2,000,000 in 2016-17 to purchase or provide treatment services for children who are victims of sex trafficking. Require DCF to ensure that treatment and services are available to children in all geographic areas of the state, including both urban and rural communities.

8. YOUTH AIDS TRANSFER [LFB Paper 253]

	Funding	Positions
GPR	$138,454,400	1.00
FED	3,714,900	0.00
PR	112,500	0.00
Total	$142,281,800	1.00

Governor: Transfer the administrative responsibilities for Youth Aids, and related aids programs for juvenile offenders, from DOC to DCF. Funding of $47,427,400 ($46,151,600 GPR, $1,238,300 FED and $37,500 PR) in 2015-16 and $94,854,400 ($92,302,800 GPR, $2,476,600 FED, and $75,000 PR) in 2016-17 as well as 1.0 FTE position would transfer to DCF.

Current law requires DOC to supervise the administration of juvenile delinquency-related services, to allocate to counties various state and federal moneys to pay for those services (commonly referred to as "youth aids"), to develop standards for the development and delivery of those services, and to provide consultation and technical assistance to counties in the implementation and delivery of those services. Current law also requires each county to annually submit its final budget for those services to DOC and to enter into a contract with DOC for the allocation of youth aids moneys. DOC may make advance payments prior to the beginning of each month in an amount equal to one-twelfth of the contracted amount.

Effective on January 1, 2016, the bill would redefine juvenile delinquency-related services into two separate categories: "community-based juvenile delinquency-related services" and "juvenile correctional services." The bill would transfer from DOC to DCF the responsibility for allocating youth aids to counties and for supervising the administration of community-based juvenile delinquency-related services. DOC would retain responsibility for supervising the administration of juvenile correctional services.

The bill would set the amounts of youth aids to be allocated to counties in the 2015-17 fiscal biennium. The bill removes the provisions allowing advance payments before the beginning of the month in amounts equal to one-twelfth of the contracted amount. For additional information see "Corrections -- Juvenile Justice."

Joint Finance: Modify the bill to incorporate clarifications identified by DOC and DCF and to make various corrections, including to: (a) refine the definitions of "juvenile justice services" and "community-based juvenile delinquency-related services"; and (b) delete references to counties "providing" or "administering" juvenile correctional services, because such services would continue to be purchased by counties from DOC. Also, the 1.0 FTE position would be funded from DCF's general program operations appropriation instead of its new local assistance GPR appropriation. For additional information see "Corrections -- Juvenile Justice."

9. READ TO LEAD TRANSFER [LFB Paper 340]

GPR	$47,200

Governor: Transfer the Read to Lead Development Council and its appropriations ($23,600 GPR annually) to DCF and appoint the Secretary of DCF (or his or her designee) as chairperson.

For more information, see "Governor - Transfer of Read to Lead Grant Program to Children and Families."

Joint Finance: Modify the Governor's recommendation to transfer the Read to Lead Development Council and its appropriations to DCF to delete the Governor's Read to Lead Development Fund and its two associated SEG sum sufficient appropriations, effective June 30, 2017. Amend the GPR annual literacy improvement appropriation, which will be transferred to DCF, and associated statutory language to provide that grants may be made from the appropriation to any person or school board for support of a literacy or early childhood development program. Provide that grants could be made from the GPR appropriation to a school board upon consultation with the State Superintendent of Public Instruction.

10. ELIMINATE STATUTORY LIMITS ON CHILD WELFARE EXPENDITURES

Governor/Joint Finance: Eliminate the following statutory limits on how DCF may use funds received under Title IV-B, subpart 1, for child welfare services and how DOC may use juvenile delinquency-related federal funds in each fiscal year: (a) $273,700 for state administration costs and for child abuse and neglect and unborn child abuse independent investigations; (b) $3,554,300 for distribution to counties for purchase and provision of child welfare projects and services, for services to children and families, for services to the expectant mothers of unborn children, and for family-based child welfare services; (c) $1,100,000 for youth and family aids allocated to counties; and (d) $458,600 for runaway services.

11. PAY FOR PERFORMANCE CONTRACTS

Joint Finance: Require all executive branch agencies to examine current programs and submit to the Joint Committee on Finance on or before December 1, 2015, a plan that identifies existing government expenditures that could be decreased or programs that could be improved though the use of pay-for-performance contracts. Specify that a pay-for-performance contract is a contract between a government agency and a private organization for the delivery of services under which payment is contingent upon and delayed until achievement of specified outcomes as measured by an independent evaluator using agreed upon metrics. Further, specify that under a pay-for-performance contract the contracting organization may serve as an intermediary which: (a) obtains funding to perform the contract by raising capital from private investors (whether philanthropic, profit seeking, or otherwise); and (b) subcontracts with direct providers (which may or may not be nonprofits) to achieve the required performance outcomes.

Authorize DCF to issue a request for proposals (RFP) for a pay-for-performance contract which, after a term of five years, would provide an agreed upon payment on the condition that the contracting organization can demonstrate savings realized by the state (and not by local or federal government bodies) as defined by the terms of the contract from reducing rates of recidivism by offenders residing in the City of Milwaukee who have left incarceration and reentered the community. Require that the contract provide for no payment unless a certain minimum level of success is demonstrated. Specify that the Legislative Audit Bureau must assist DCF and the RFP offerors to identify benchmarks to measure performance and must conduct an audit upon completion of the five-year contract term to determine whether the agreed-upon benchmarks have been achieved. Require DCF in evaluating proposals to give priority to those which incorporate reuniting parents with their children.

Specify that after selecting a proposal DCF must submit a plan to the Committee for approval under a 14-day passive review process before a final contract with the RFP offeror selected by DCF may be executed or otherwise implemented. Require the plan to include specific information on the RFP offeror selected, the methods under which the offeror will finance startup and ongoing costs, the levels of increased payment for greater degrees of success, the desired outcomes and benchmarks, the methods of monitoring and measuring performance, and any additional service providers which the offeror intends to engage for delivery of services.

12. VOLUNTEER HOST FAMILIES

Joint Finance: Require DCF to establish a plan to engage and utilize non-profit volunteer programs to provide temporary host families for children whose parent or legal guardian has legally and voluntarily agreed to participate in such a program as an alternative to foster care. Require DCF to submit a report on the plan to the Committee on or before November 1, 2015.

13. POST ADOPTION RESOURCE CENTERS

GPR	$225,000

Joint Finance: Increase funding to DCF by $225,000 GPR in 2016-17 to support grants to post adoption resource centers. Post adoption resource centers provide education, training, support activities, and services to adoptive families.

14. BRIGHTER FUTURES

Joint Finance: Authorize DCF to distribute funds from the amounts enumerated for the Brighter Future Grant Initiative to an organization to provide a program that accomplishes all of the following: (a) prevents and reduces the incidence and effects of adverse early childhood experiences for children up to eight years old through behavioral health and other services; (b) trains practitioners in serving youth up to age eight; (c) provides professional development, training, research and direct services to youth up to age eight; (d) provides child care services, including a special care nursery, and the Youngstar child care quality and improvement rating system rates the organization as a five-star child provider; and (e) provides Birth-to-3 Services, early education and child care, in-home treatment sessions, family services, and outpatient services for occupational therapy, physical therapy, and speech therapy. Also, specify that the benchmarks and reporting requirements for recipients under current law of Brighter Futures grants do not apply to the organization selected by DCF.

Economic Support and Child Care

1. W-2 AND TANF RELATED REVENUES AND EXPENDITURES [LFB Paper 210]

Governor: The following table shows the W-2 and TANF related revenue estimates and expenditures recommended by the Governor. Items that would be modified by the budget bill are addressed in detail in the entries that follow according to the item number listed in the right-hand column of the table. "TANF" refers to the federal temporary assistance for needy families program.

Revenues Available for W-2 and TANF Related Programs

As shown in Table 1, the administration estimates total revenues for W-2 and TANF related programs at $712.5 million in 2015-16 and $662.8 million in 2016-17. State funding would include $179.4 million ($160.6 million GPR, $9.6 million PR, and $9.1 million SEG) in 2015-16 and $174.4 million ($160.4 million GPR, $4.9 million PR, and $9.1 million SEG) in 2016-17. The program revenue includes the state's share of AFDC overpayment recoveries, child support collections that are assigned to the state by public assistance recipients, child care licensing fees, and income augmentation funds carried forward from 2014-15. The segregated revenue is from DOA's public benefits funding.

Ongoing federal funding is estimated at $458.6 million in 2015-16 and $409.4 million in 2016-17. Federal funds include monies from the TANF block grant, the child care development block grant, and recoveries of overpayments to W-2 recipients. The carryover of all funding sources from the 2014-15 ending TANF balance is estimated at $74.6 million.

The largest change in revenue comes from anticipated funding under the TANF contingency fund. The contingency fund provides additional matching grants to states during times of economic downturns if certain conditions are met. The state applied for contingency funds, and was determined to be eligible for funding, in federal fiscal years (FFY) 2009 and 2011 through 2014. The bill estimates that Wisconsin will receive $25.0 million in FFY 2015 and $25.0 million in FFY 2016 ($50.0 million in SFY 2015-16).

It should be noted that Congress has extended the TANF program until September 30, 2015, at the same funding levels. The budget bill assumes the federal TANF program would continue at the same funding levels through the 2015-17 biennial budget.

Expenditures for W-2 and TANF Related Programs

Under the Governor's recommendations, overall expenditures for W-2 and TANF related programs would be $633.5 million in 2015-16 and $653.3 million in 2016-17. These amounts include all funds, and represent a decrease from the base budget of $8.2 million in 2015-16 and an increase of $11.6 million in 2016-17. The changes in funding represent reestimates, increased funding for some existing programs, and decreased funding for other existing programs, which are described in the entries below. Expenditures include: W-2 contracts and cash grants; the Transform Milwaukee and Transitional Jobs programs; child care subsidies; benefits for the kinship care program, the caretaker supplement, and emergency assistance; state administration and other support services; grants to the Boys and Girls Clubs, Wisconsin Community Services, and Fostering Futures; and expenditures for other programs.

Federal law allows the state to carry forward unexpended TANF funding without fiscal year limitation. The projected TANF-related balance at the end of the 2015-17 biennium would be $9.5 million which could be carried over into the 2017-19 biennium. However, ongoing expenditures would be estimated to exceed ongoing revenue by $69.5 million in 2016-17.

TABLE 1

W-2 and TANF Related Revenues and Expenditures Under the Governor's Budget Bill

			Change to Base		
	2015-16	2016-17	2015-16	2016-17	Item #
Revenues					
State General Purpose Revenue in DCF (GPR)	$160,623,800	$160,373,800	$250,000	$0	22
TANF Prior-year Carryover (all funds)	74,582,200	79,000,000	29,277,300	33,695,100	
TANF Block Grant (FED)	312,713,400	313,861,200	-1,147,700	100	22
Child Care Block Grant (FED)	91,463,900	91,188,900	4,269,900	3,994,900	
Overpayment Recoveries (FED)	4,286,600	4,287,600	0	1,000	
TANF Contingency Fund (FED)	50,000,000	0	50,000,000	0	
SSBG from DHS (FED)	100,000	100,000	0	0	
Child Support Collections (PR)	3,010,800	3,010,800	0	0	
Child Care Licensing Fees (PR)	1,700,400	1,715,900	-16,800	-1,300	22
AFDC Overpayment Recoveries (PR)	160,600	160,600	0	0	
Income Augmentation Carryforward (PR)	4,730,300	0	4,730,300	0	22
Public Benefits Fund (SEG)	9,139,700	9,139,700	0	0	
Total Revenues	$712,511,700	$662,838,500	$87,363,000	$37,689,800	
Expenditures					
W-2 Agency Contracts and Benefits					
Benefits	$89,796,000	$88,796,000	-$1,000,000	-$2,000,000	2, 3
Contracts	58,336,500	58,336,500	0	0	
Other TANF Employment Programs					
Transitional Jobs /Transform Milwaukee	6,000,000	7,000,000	1,000,000	2,000,000	9
Child Care					
Direct Child Care Subsidies	267,945,900	286,777,400	-6,788,100	12,043,400	10
Child Care State Administration and Licensing	34,244,600	33,248,300	2,474,700	1,478,400	11
Quality and Availability Programs	15,492,700	15,492,700	1,158,000	1,158,000	12
Other Benefits					
Kinship Care	21,222,700	21,435,000	448,300	660,600	13
Caretaker Supplement for Children of SSI Recipients	31,338,200	31,338,200	-2,349,800	-2,349,800	14
Emergency Assistance	8,500,000	8,400,000	-100,000	-200,000	15
Administrative Support					
State Administration	14,834,100	14,967,700	1,519,100	1,652,700	16
Local Fraud Aids	605,500	605,500	0	0	
Other Support Services					
Children First	1,140,000	1,140,000	0	0	
Grant Programs					
Boys and Girls Clubs	1,100,000	1,100,000	0	0	17
Wisconsin Community Services	400,000	400,000	0	0	
Fostering Futures- Connections Count	0	360,300	0	360,300	18
Expenditures in Other Programs					
Earned Income Tax Credit	62,500,000	62,500,000	0	0	23
Social Services Block Grant	15,018,700	14,653,500	-424,500	-789,700	19
Child Welfare Safety Services	3,647,200	5,392,700	-4,063,900	-2,318,400	20
Child Welfare Prevention Services	1,389,600	1,389,600	-100,000	-100,000	21
Total Expenditures	$633,511,700	$653,333,400	-$8,226,200	$11,595,500	
Ending Balance	$79,000,000	$9,505,100			

Joint Finance: Table 2 shows the W-2 and TANF related revenue estimates and expenditure changes made by the Joint Committee on Finance.

As shown in Table 2, total revenues for W-2 and TANF related programs are estimated at $725.0 million in 2015-16 and at $681.0 million in 2016-17. Compared to the Governor's proposal, these numbers represent an increase in revenues of $12.5 million in 2015-16 and $34,800 in 2016-17. (The carryover into 2016-17 is already accounted for in 2015-16.) These increases reflect reestimates of the TANF block grant, the child care development block grant, and the amount of the TANF balance carried over from 2014-15 into 2015-16.

Overall expenditures for W-2 and TANF related programs under the bill would be $627.9 million in 2015-16 and $649.7 million in 2016-17. Compared to the Governor's recommendations, these amounts represent a decrease of $5.7 million in 2015-16 and $3.7 million in 2016-17. The biggest changes are an increase in TANF funding for the earned income tax credit and decreases in funding for direct child care subsidies and W-2 benefits, as shown in Table 2 and described in the entries below.

As indicated in Table 2, there would be an estimated balance in TANF funding of $31.3 million on June 30, 2017, which could be carried over into the 2017-19 biennium. However, ongoing expenditures would be estimated to exceed ongoing revenue by $65.8 million in 2016-17.

TABLE 2

W-2 and TANF Related Revenues and Expenditures Under the Joint Committee on Finance

			Change to Governor		
	2015-16	2016-17	2015-16	2016-17	Item #
Revenues					
State General Purpose Revenue in DCF (GPR)	$160,373,800	$160,373,800	-$250,000	$0	22
TANF Prior-year Carryover (all funds)	122,617,900	97,126,900	48,035,700	18,126,900	
TANF Block Grant (FED)	312,713,400	313,896,000	0	34,800	22
Child Care Block Grant (FED)	91,123,300	91,188,900	-340,600	0	
Overpayment Recoveries (FED)	4,286,600	4,287,600	0	0	
TANF Contingency Fund (FED)	15,031,500	0	-34,968,500	0	
SSBG from DHS (FED)	100,000	100,000	0	0	
Child Support Collections (PR)	3,010,800	3,010,800	0	0	
Child Care Licensing Fees (PR)	1,700,400	1,715,900	0	0	22
AFDC Overpayment Recoveries (PR)	160,600	160,600	0	0	
Income Augmentation Carryforward (PR)	4,730,300	0	0	0	22
Public Benefits Fund (SEG)	9,139,700	9,139,700	0	0	
Total	$724,988,300	$681,000,200	$12,476,600	$18,161,700	
Expenditures					
W-2 Agency Contracts and Benefits					
Benefits	$83,000,000	$83,000,000	-$6,796,000	-$5,796,000	2, 3
Contracts	58,336,500	58,336,500	0	0	
Other TANF Employment Programs					
Transitional Jobs /Transform Milwaukee	6,000,000	7,000,000	0	0	9
Child Care					
Direct Child Care Subsidies	262,064,700	280,719,700	-5,881,200	-6,057,700	10
Child Care State Administration and Licensing	35,181,800	33,185,500	937,200	-62,800	11
Quality and Availability Programs	15,492,700	15,492,700	0	0	12
Other Benefits					
Kinship Care	21,222,700	21,435,000	0	0	13
Caretaker Supp for Children of SSI Recipients	31,338,200	31,338,200	0	0	14
Emergency Assistance	8,500,000	8,400,000	0	0	15
Administrative Support					
State Administration	15,080,200	15,295,800	246,100	328,100	16
Local Fraud Aids	605,500	605,500	0	0	
Other Support Services					
Children First	1,140,000	1,140,000	0	0	
Grant Programs					
Boys and Girls Clubs	1,175,000	1,175,000	75,000	75,000	17
Wisconsin Community Services	400,000	400,000	0	0	
Fostering Futures- Connections Count	0	360,300	0	0	18
GED Testing	127,000	115,000	127,000	115,000	24
Adult Literacy	41,600	41,600	41,600	41,600	25
Legal Services	500,000	500,000	500,000	500,000	26
Expenditures in Other Programs					
Earned Income Tax Credit	67,600,000	69,700,000	5,100,000	7,200,000	23
Social Services Block Grant	15,018,700	14,653,500	0	0	19
Child Welfare Safety Services	3,647,200	5,392,700	0	0	20
Child Welfare Prevention Services	1,389,600	1,389,600	0	0	21
Total Expenditures	$627,861,400	$649,676,600	-$5,650,300	-$3,656,800	
Ending Balance	$97,126,900	$31,323,600	$18,126,900	$21,818,500	

2. WISCONSIN WORKS BENEFITS [LFB Paper 210**]**

FED	- $12,592,000

Joint Finance: Decrease funding for W-2 benefits by $6,796,000 in 2015-16 and by $5,796,000 in 2016-17 to reflect more recent estimates of base-year caseloads and benefit payments, which are lower than previously estimated. Total TANF funding under the bill for W-2 benefits, including the changes to the lifetime benefit limit described below, would be $83,000,000 annually.

3. WISCONSIN WORKS LIFETIME BENEFITS [LFB Paper 211]

FED	- $3,000,000

Governor/Joint Finance: Reduce funding for Wisconsin Works benefits by $1,000,000 in 2015-16 and $2,000,000 in 2016-17 to reflect the expected savings from modifying current law to decrease the lifetime limit on participating in or receiving benefits under W-2 programs from 60 months to 48 months.

Under current law, the W-2 program provides work experience and benefits for low-income custodial parents who are at least 18 years old. Short-term interest-free job access loans may also be provided to meet immediate and discrete expenses that are related to obtaining or maintaining employment.

Generally, in order to be eligible for W-2 employment positions and job access loans, the total number of months in which the individual (or any adult member of the individual's family) has participated in or received benefits under certain W-2 programs may not exceed 60 months. Except for limited exceptions, all months in which individuals participate in the following programs accrue against the 60-month lifetime limit: (a) W-2 employment positions; (b) the job opportunities and basic skills (JOBS) program under prior law beginning on October 1, 1996; and (c) any program in Wisconsin or any other state in which benefits were funded by federal TANF dollars. Under current law, a W-2 agency may extend the participation period beyond 60 months if the agency determines that unusual circumstances exist.

The bill would reduce the lifetime limit for W-2 programs and job access loans from 60 months to 48 months. The bill would also modify state law regarding extensions of the participation period to conform with federal law. A W-2 agency would be empowered to extend an individual's participation beyond 48 months if it determines that the individual is experiencing hardship or that the individual's family includes an individual who has been battered or subjected to extreme cruelty.

These provisions would first apply to W-2 participants on the bill's effective date, except that DCF would have discretion to allow individuals currently participating in W-2 to remain in the program for an appropriate period of time beyond 48 months in order to allow for transition out of W-2.

4. WORK EXPERIENCE PROGRAM DRUG TESTING AND TREATMENT [LFB Paper 216]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
GPR	$0	$500,000	$500,000

Governor: Require substance abuse screening and testing as an eligibility requirement for certain work programs administered by DCF, as described below.

The bill would require individuals to complete a questionnaire that screens for the abuse of a controlled substance as a condition of eligibility for participation in certain work programs administered by DCF. Specifically, the drug abuse questionnaire would be required for the following: (a) persons who apply to participate in the Transform Milwaukee program or the Transitional Jobs program, or for W-2 services and benefits for noncustodial parents; and (b) persons who apply for, or are ordered by a court to register for, a work experience and job training program because they are not meeting their child support obligations. The last program is known as Children First.

Based on the answers to the questionnaire, if DCF (or the agency with which DCF has contracted to administer a work program) determines that there is a reasonable suspicion that an individual who is otherwise eligible for a work program is abusing a controlled substance, the individual would have to undergo a test for the use of a controlled substance in order to remain eligible. If the individual refuses to submit to a test, the individual would not be eligible until the individual complies with the requirement to undergo a test for the use of a controlled substance.

If the test results are negative, the eligibility requirements for testing, screening, and treatment would be fulfilled. If the test results are positive and the individual does not present satisfactory evidence of a valid prescription for the controlled substance, then the individual would have to participate in substance abuse treatment to remain eligible. The individual would satisfactorily complete the substance abuse screening, testing, and treatment requirements for the work program if the individual completes treatment and tests negative or positive with a valid prescription at the completion of treatment.

While undergoing treatment, the individual would have to submit to random testing for the use of a controlled substance, and the test results would have to be negative, or positive with evidence of a valid prescription, in order for the individual to remain eligible. If any test results are positive and the individual does not have a valid prescription, the individual could restart treatment one time and remain eligible so long as all subsequent test results are negative or positive with a valid prescription.

These provisions would first apply to individuals who apply to participate in a work program on the effective date of the bill.

The budget bill provisions would not apply to participants in W-2 community service jobs or transitional placements. Current law includes a drug testing requirement (along with sanctions and treatment programs) for W-2 participants who have been convicted of a drug-related felony within the five preceding years. These provisions would not be modified by the bill.

Joint Finance: Create an annual appropriation and provide $250,000 in 2015-16 and 2016-17 to DCF for drug screening, testing, and treatment costs. Require DCF to pay for all costs of substance abuse treatment not otherwise covered by medical assistance, private insurance, or another type of coverage. Specify that if drug treatment costs exceed the monies available under the appropriation, then DCF must request the Committee to take action under s. 13.101 of the statutes, and that the requirement of an emergency does not apply to such a request.

Authorize DCF to promulgate emergency rules to implement drug screening, testing, and treatment without making a finding of emergency. Require DCF to submit a statement of scope of proposed emergency rules within 120 days of the bill's effective date. Specify that the drug screening testing, and treatment provisions first apply to applicants to work experience programs on the effective date of the rules promulgated by DCF.

5. W-2 SANCTIONS [LFB Paper 212]

Governor: Modify provisions regarding the imposition of sanctions under W-2, as described below.

Notice and Opportunity to Rectify. Under current law, before taking any action against a W-2 participant that would result in a 20% or more reduction in the participant's benefits or in termination of the participant's eligibility to participate in W-2, a W-2 agency must: (a) provide written notice of the proposed action and of the reasons for the proposed action to the W-2 participant; and (b) allow the W-2 participant reasonable time to rectify the deficiency, failure, or other behavior to avoid the proposed action. The bill would remove these requirements. The bill would also remove authority from DCF to promulgate rules to establish procedures for notice and rectification by the participant.

Refusal to Participate. Under current law, if a W-2 participant (or individual in a participant's W-2 group) refuses to participate in a W-2 employment position component, the participant is ineligible to participate in the entire W-2 program for three months. A participant is considered to have refused to participate if he or she: (a) expresses verbally or in writing to a W-2 agency that he or she refuses to participate; (b) fails to appear for an interview with a prospective employer without good cause; (c) if the participant is in a W-2 transitional placement, fails to appear for an assigned activity without good cause; (d) voluntarily leaves appropriate employment or training without good cause; (e) loses employment as a result of being discharged for cause; or (f) demonstrates through other behavior or action that he or she refuses to participate in a W-2 employment position.

The bill would modify the behaviors that constitute refusal to participate in order to more specifically define the criteria for which sanctions may be imposed and to more closely resemble the actual behaviors of non-participating individuals observed by W-2 agencies.

First, the bill would define "employer" and "employment," which were previously undefined, to include subsidized or unsubsidized employment and work experience activities.

Second, the bill would amend the definition of "work activity" to conform with the definition under federal law and to include an activity assigned by W-2 agency. Federal law identifies 12 work activities.

Third, the bill would eliminate option (a) listed above. Note that verbal or written expression could still be considered a refusal to participate under option (f).

Fourth, the bill would modify options (b) and (c) listed above, such that it would be a refusal to participate to fail, without good cause, to appear for: (i) an interview with a prospective employer, including a work experience provider; (ii) an assigned work activity; or (iii) an activity assigned by a W-2 agency.

Fifth, the bill would modify option (d) above and make it a refusal to participate if a participant leaves, without good cause, appropriate employment or training or an appropriate assigned work experience activity or a work experience site.

Sixth, the bill would modify option (e) above and make it a refusal to participate if a participant is discharged from appropriate employment or training for cause or from a work experience site for cause.

Joint Finance: Modify the Governor's recommendation such that statutorily required notice and opportunity to rectify would not be required for actions predicated upon W-2 financial and non-financial eligibility criteria (such as a child becoming 18 years old or the participant moving out of the state). Actions predicated on sanctions which would terminate a participant's eligibility or reduce a participant's benefits by 20% or more (such as non-participation in an employment position or non-cooperation with child support requirements) would require notice and opportunity to rectify.

6. W-2 COMMUNITY STEERING COMMITTEES

Governor/Joint Finance: Modify provisions regarding W-2 community steering committees as outlined below.

Under current law, among other duties, each W-2 agency contract must require a W-2 agency to establish a community steering committee within 60 days after the date on which the contract is awarded. The bill would instead require the W-2 agency to establish one or more community steering committees within 60 days after the contract is signed (rather than awarded). W-2 agencies would be authorized to appoint as many committees as necessary to allow the required representation on each committee without exceeding the maximum number of committee members.

Currently, the W-2 agency must recommend the members of the committee to the chief executive officer (CEO) of each county served by the agency, and the county CEO must appoint the members of the committee. For multi-county agencies, the number of members that each CEO appoints to the committee must be in proportion to the population of that officer's county relative to the population of each other county served by the W-2 agency, except that the CEO of a county that is served by a non-county W-2 agency must appoint the director of the county department of human/social services, or his or her designee, and one other representative of the county department. The committee must consist of at least 12 members, but not more than 15 members.

The bill would repeal all of these provisions. Instead, the bill would specify that the total number of committee members could not exceed 20. In addition, each county that the W-2 agency serves would have to be represented on a committee by a member who is a representative of a county department responsible for economic development, of a city department responsible for economic development of a city that is in that county, or of the business community in that county. The W-2 agency would have to appoint at least one representative of business interests as a committee member. As under current law, the members of the committee would have to appoint a chairperson who is a person who represents business interests.

Current law requires that the community steering committees perform certain duties. Among these are the duties to: (a) identify and encourage employers to provide permanent jobs for persons who are eligible for trial employment match program (TEMP) jobs or community service jobs (CSJs) under W-2; (b) create, and encourage others to create, subsidized jobs for persons who are eligible for TEMP jobs or CSJs; and (c) create, and encourage others to create, on-the-job training sites for persons who are eligible for TEMP jobs or CSJs. Under the bill, these activities would be undertaken for all persons eligible for the W-2 program, instead of just those who are eligible for TEMP jobs or CSJs. In addition, under item (c), community steering committees would be required to create work experience opportunities, including supported work experience, instead of on-the-job training sites.

Present law also requires community steering committees to foster and guide the entrepreneurial efforts of participants who are eligible for TEMP jobs or CSJs, and to provide mentors, both from their membership and from recruitment of members of the community, to provide job-related guidance, including assistance in resolving job-related issues and the provision of job leads or references, to eligible persons. Under the bill, these activities would be permissive rather than required. In addition, the references to TEMP jobs and CSJs would be replaced with a more general reference to W-2 eligibility.

Currently, community steering committees must also coordinate with the council on workforce investment established under federal law to ensure compatibility of purpose and no duplication of effort. The bill would replace the reference to councils on workforce investment with a reference to workforce development boards.

Current law also requires community steering committees to work with participants, employers, child care providers and the community to identify child care needs, improve access to child care and expand availability of child care, and to identify motivational training programs, including programs that enhance parenting skills. The bill would repeal these requirements.

Finally, as under current law, W-2 agencies could require new CSJ and W-2 transitional placement participants to participate in an assessment and motivational training program; however, the motivational training programs would no longer have to be identified by the community steering committee.

7. W-2 WAGE SUBSIDIES [LFB Paper 213]

Governor/Joint Finance: Modify the subsidy amounts available for TEMP jobs and enable DCF to negotiate the subsidies paid to employers of participants in the Transform Milwaukee jobs program and Transitional Jobs program.

Under current law, the employer of an individual placed in a Trial Employment Match Program (TEMP) job must pay the individual at least the applicable minimum wage. The W-2 agency pays a wage subsidy to the employer in an amount negotiated between the W-2 agency and the employer. The subsidy cannot be less than the applicable minimum wage. As for the Transform Milwaukee Jobs Program or Transitional Jobs Program, current law does not allow for negotiation of the wage subsidy. Instead, DCF pays the employer an amount equal to the wages paid to the individual for hours actually worked, not to exceed 40 hours per week at the applicable federal or state minimum wage (DCF may also pay for other costs associated with social security, Medicare, and unemployment taxes). The employer may pay the individual more than the amount of the wage subsidy received from DCF, but the employer cannot pay the individual less than the applicable minimum wage.

The bill would change the TEMP wage subsidy amount paid to employers from being not less than minimum wage to being no more than minimum wage. The employer would be responsible to pay the TEMP participant at least the minimum wage and for all wage amounts exceeding the subsidy. It must be noted that the implementation of TEMP has been delayed and that there currently are no W-2 participants who have been placed into a TEMP job.

The bill would similarly change the subsidies paid to employers of participants in the Transform Milwaukee Jobs Program or Transitional Jobs Program. The subsidy amount would be negotiated between DCF and the employer and could not exceed the minimum wage. The subsidy would be paid for each hour actually worked by the participant up to 40 hours per week. The employer would have to pay the participant at least minimum wage.

8. LEARNFARE CASE MANAGEMENT

Governor/Joint Finance: Extend the requirement for case management services under the Learnfare program. Under current law, Learnfare requires dependent children between the ages of six through 17, unless otherwise exempt, to be enrolled in school if they are in a W-2 group that includes a participant in a TEMP placement, community service job, or transitional placement. In addition, minor parents, habitual truants (absent from school without an acceptable excuse for part or all of five or more school days during a semester), dropouts, and returning drop-outs must participate in case management services.

The bill would extend the requirement for case management services to instances where the child's W-2 group includes a participant in a TEMP job, community service job, or transitional job who has been unable to participate in activities due to the child's school-related problems.

9. TRANSITIONAL JOBS EXPANSION

FED	$3,000,000

Governor/Joint Finance: Provide additional funding of $1,000,000 in 2015-16 and $2,000,000 in 2016-17 for expansion of the transitional jobs program. Total TANF funding under the bill would be $6,000,000 in 2015-16 and $7,000,000 in 2016-17.

Under current law, in conducting that Transitional Jobs program DCF must give priority to areas with relatively high rates of unemployment and childhood poverty. The bill would expand the Transitional Jobs program to other areas with special needs that DCF determines should be given priority.

10. WISCONSIN SHARES CHILD CARE SUBSIDY PROGRAM [LFB Paper 210]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$5,255,300	- $11,938,900	- $6,683,600

Governor: Modify expenditure authority in the amount of -$6,788,100 in 2015-16 and $12,043,400 in 2016-17 for direct child care services. The following table shows the fiscal-year amounts in the bill.

Wisconsin Shares under Governor's Recommendations

	2015-16	2016-17
Child Care Subsidies	$253,145,400	$258,826,900
Local Administration	11,638,100	11,638,100
On-site Care	2,550,000	2,600,000
Migrant Care	612,400	612,400
EBT Parent Pay	0	13,100,000
Total	$267,945,900	$286,777,400
Adjusted Base (2014-15)	$274,734,000	$274,734,000
Difference from Adjusted Base	-$6,788,100	$12,043,400

The reduction from the adjusted base in 2015-16 is primarily due to a projected utilization of the Wisconsin Shares program significantly below the previously estimated base amount. The increase in 2016-17 is primarily due to costs associated with the implementation of the electronic benefit transfer (EBT) parent pay initiative, including: (a) the costs of switching from retrospective attendance-based subsidy payments to the prospective determination of need for child care and the pre-attendance award of subsidies on electronic benefit transfer cards; and (b) the one-time cost of accelerating subsidy payments, which causes the overlap of one month of retrospective payment with one month of prospective payment (resulting in reimbursement for 54 weeks of child care over the fiscal year).

Joint Finance: The following table includes the estimated costs to fully fund the direct child case subsidy program under the Joint Finance budget. The reestimate is based upon more recent caseload and issuance data for base level spending in the direct child care subsidy program, which are lower than previously projected. With these adjustments, the estimated cost of the child care subsidy program is lower than the estimates used in the Governor's bill by $5,881,200 in 2015-16 and $6,057,700 in 2016-17.

Wisconsin Shares under the Joint Committee on Finance

			Change with Governor	
	2015-16	2016-17	2015-16	2016-17
Child Care Subsidies	$247,264,200	$252,769,200	-$5,881,200	-$6,057,700
Local Administration	11,638,100	11,638,100	0	0
On-site Care	2,550,000	2,600,000	0	0
Migrant Care	612,400	612,400	0	0
EBT Parent Pay	0	13,100,000	0	0
Total	$262,064,700	$280,719,700	-$5,881,200	-$6,057,700
Adjusted Base (2014-15)	$274,734,000	$274,734,000		
Difference from Adjusted Base	-$12,669,300	$5,985,700		

11. CHILD CARE STATE ADMINISTRATION [LFB Paper 210]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$3,953,100	$874,400	$4,827,500

Governor: Increase expenditure authority in 2015-16 by $2,474,700 and in 2016-17 by $1,478,400 for state administration of child care licensing activities, Wisconsin Shares, and child care quality improvement programs.

The increase in funding primarily reflects implementation of the EBT parent pay initiative in Wisconsin Shares, including: (a) $2,279,700 in 2015-16 and $1,397,500 in 2016-17 for information technology upgrades; and (b) $600,000 in 2015-16 and $210,600 for vendor costs. 2013 Act 20 provided for the implementation of an EBT system by which DCF would be authorized to issue benefits directly to participating individuals via electronic benefit cards. Wisconsin Shares recipients would use the cards to pay child care providers participating in YoungStar (or out-of-state providers). However, before DCF may implement the EBT system for Wisconsin shares, it must first obtain all necessary approvals from the appropriate federal agencies and submit a plan to the Joint Committee on Finance under a 14-day passive review process. DCF has submitted an EBT implementation plan to the Committee, which is currently under consideration.

The funding also reflects: (a) a decrease in administrative costs associated with health insurance, retirement, and reserves ($402,500 in 2015-16 and $144,400 in 2016-17); (b) a decrease in administrative costs of $207,300 annually; (c) standard budget adjustments and realignments ($214,800 in 2015-16 and $232,000 in 2016-17); and (d) anticipated administrative savings from the statutory modifications for child care provider background disclosure described below ($10,000 annually).

Background Information Disclosure. Current law requires licensed and certified child care providers (and their household members, contractors, and employees) to file background information disclosure forms when applying for the issuance, renewal, or continuation of a child care license, certification, or contract. The bill would exempt child care providers from completing background information disclosures when applying to renew or continue a license, certification, or contract. The disclosures would still be required for the initial license, certification, or contract.

Current law generally provides that entities which provide care for children must require all of their caregivers and non-client residents to complete background information disclosures every four years. However, an exception is provided for regulated child care providers, who are instead required to complete disclosure forms every twelve months (regardless of whether or not there have been any changes in background information). The bill would modify current law to eliminate the disclosure requirement for child care providers after submitting initial disclosure forms. Instead, background disclosures would only be required for new caregivers and non-client residents.

As noted, the administrative savings associated with the above changes are estimated as $10,000 annually.

Administration of Wisconsin Shares: Eligibility. Under current law, in all areas of the state (except for Milwaukee which is administered by DCF through the Milwaukee Enrollment Services and Milwaukee Early Care Administration) DCF must contract with a county department or agency to make initial determinations of eligibility for child care subsidies under Wisconsin Shares for individuals who are in a particular geographic region or who are members of a particular Indian tribal unit. Further, current law requires that the same county department or agency must administer Wisconsin Shares for that geographic region or Indian tribal unit.

The bill would provide DCF with the option to make child care subsidy eligibility determinations, to contract with a county department or agency to make eligibility determinations, or to contract with a county department or agency to share in making eligibility determinations. In the event that DCF contracts with a county department or agency for the eligibility determination function, the bill would require DCF to allocate funds for this function under the contract.

These changes would first apply to contracts made between DCF and county departments or agencies beginning on October 1, 2015.

Administration of Wisconsin Shares: Funding Allocation. Under current law, DCF must, to the extent practicable, allocate funding to county departments and agencies for the administration of Wisconsin Shares in the same proportion of the geographic region's (or Indian tribal unit's) proportionate share of all statewide child care subsidy authorizations and eligibility redeterminations in the 12-month period prior to the start of the contract period.

The bill would allow DCF to elect to allocate funds for a county department's or agency's administration of Wisconsin Shares in the same proportion as either the geographic region's (or Indian tribal unit's) proportionate share of: (a) all funding allocated for eligibility determination functions; or (b) all children for whom a child care subsidy was issued in the most recent twelve-month period for which applicable statistics are available prior to the start of the contract period. When allocating funds, the bill would allow DCF to take into consideration trends in applications, a county department's or agency's past eligibility determination expenditures, the respective portions of the eligibility determination function to be performed by DCF and the county department or agency, and any other factor DCF determines.

These changes would first apply to contracts made between DCF and county departments or agencies beginning on October 1, 2015.

Joint Finance: Increase expenditure authority in 2015-16 by $1,000,000 to reflect child care administration spending previously estimated to occur in 2014-15 for implementation of the Wisconsin Shares EBT system which is now estimated to carry over into and to be spent during 2015-16. Also decrease expenditure authority by $62,800 annually to reflect the position transferred to the Department of Tourism, as discussed above in "Departmentwide." Total TANF-related funding under the Joint Finance budget would be $35,181,800 in 2015-16 and $33,185,500 in 2016-17.

12. CHILD CARE QUALITY RATING AND IMPROVEMENT SYSTEM

FED	$2,316,000

Governor/Joint Finance: Increase funding by $1,158,000 annually for child care quality programs to fully fund the contract costs of the child care quality rating and improvement system (YoungStar). DCF contracts with the Consortium to rate child care providers under YoungStar, to provide technical assistance and grants for improvement, and to administer YoungStar at the local level. Members of the Consortium include the Celebrate Children Foundation, Supporting Families Together Association, and Wisconsin Early Childhood Association.

The requested level of funding was previously approved by the Joint Committee on Finance in May, 2014, to cover additional expenditures from increased participation by child care providers in YoungStar technical assistance and grant programs. Costs for technical assistance and micro-grants increase as providers improve their YoungStar rating.

Funding would be maintained at base levels for other quality and availability programs, such as resource and referral agencies, the teacher education and compensation helps (TEACH) program, and the rewarding education with wages and respect for dedication (REWARD) program. Total TANF funding under the bill for child care quality and availability programs would be $15,492,700 in each year.

13. KINSHIP CARE

FED	$1,108,900

Governor/Joint Finance: Provide an increase of $448,300 in 2015-16 and $660,600 in 2016-17 for kinship care based upon reestimate of caseloads. The monthly rate is $232. Total TANF funding under the bill would be $21,222,700 in 2015-16 and $21,435,000 in 2016-17.

14. CARETAKER SUPPLEMENT

FED	- $4,699,600

Governor/Joint Finance: Reduce funding for the caretaker supplement by $2,349,800 annually to reflect a reestimate of program costs. In addition to state and federal SSI benefits, SSI recipients with dependent children receive a caretaker supplement of $250 per month for the first child and $150 per month for each additional child. TANF funding under the bill would be $31,338,200 annually.

15. EMERGENCY ASSISTANCE

FED	- $300,000

Governor/Joint Finance: Reduce funding for emergency assistance by $100,000 in 2015-16 and $200,000 in 2016-17 based on reestimates of need. Total TANF funding for the program would be $8,500,000 in 2015-16 and $8,400,000 in 2016-17.

The emergency assistance program provides assistance to needy persons with children in cases of fire, flood, natural disaster, energy crisis, homelessness, or impending homelessness. Benefits are in the form of cash, voucher, or vendor payment. W-2 agencies administer the emergency assistance program at the local level under contract with DCF.

The bill would modify current law to require DCF to recover overpayments of emergency assistance. In the case of an error in payment, the bill would require DCF to recover the overpayment from the W-2 agency. DCF would be able to recover by offsetting the agency's contract. The bill would require county departments and W-2 agencies to notify DCF if they determine that DCF may recover an overpayment.

In the case of an overpayment resulting from a misrepresentation by the participant with respect to his or her eligibility, recovery would be made from the participant by any legal means, including state income tax intercept or levy against property. DCF would be required to provide notice of the overpayment and an opportunity for administrative review.

For the purposes of intercepting state income tax refunds, the bill would require DCF to annually certify to the Department of Revenue (DOR) all overpayment amounts which DCF determines it may recover. However, DCF would not be able to certify any overpayments to DOR unless the notice requirements have been met as to such amounts, and DCF's determination has not been appealed (or is no longer under appeal).

16. STATE ADMINISTRATION OF WISCONSIN WORKS AND OTHER RELATED TANF PROGRAMS [LFB Paper 214]

	Governor (Chg. to Base)		Jt. Finance (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	$3,171,800	1.00	$574,200	4.00	$3,746,000	5.00

Governor: Provide $1,519,100 in 2015-16 and $1,652,700 in 2016-17 for state administration of TANF and TANF-related programs, including W-2, Transform Milwaukee Jobs, and Kinship Care. These amounts include: (a) $1,835,000 in 2015-16 and $1,896,100 in 2016-17 to upgrade the client assistance for re-employment and economic support (CARES) information technology system; (b) a reduction of $269,600 in 2015-16 and $266,700 in 2016-17 for standard budget adjustments and funding realignments; (c) $72,800 in 2015-16 and $97,100 in 2016-17 to support 1.0 FTE position for Fostering Futures; and (d) a reduction of $119,100 in 2015-16 and $73,800 in 2016-17 for costs associated with health insurance, retirement, and reserves.

Joint Finance: Provide 4.0 positions and $246,100 in 2015-16 and $328,100 in 2016-17 to assist in implementing the income eligibility and verification system (IEVS) corrective compliance plan. IEVS is an automated computer system mandated by federal law that is used to match information among government databases. The compliance plan was entered into by DCF after the state failed to meet federal requirements for income verification of applicants of TANF-related programs. The additional positions would assist DCF to resolve discrepancies identified in unemployment compensation and state wage information submitted by applicants. Under the Joint Finance budget, state administration of TANF programs (other than Wisconsin Shares) would total $15,080,200 in 2015-16 and $15,295,800 in 2016-17.

17. GRANTS TO BOYS AND GIRLS CLUBS OF AMERICA

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	$0	$150,000	$150,000

Governor: Maintain the same level of TANF funding ($1,100,000 annually) for grants to the Boys and Girls Clubs of America to support programs that improve social, academic, and employment skills of TANF-eligible youths. The bill would remove statutory references to one-time 2013-14 grants of: (a) $25,000 for the greater Wisconsin Rapids Area Boys and Girls Club to fund the Cranberry Science, Technology, Engineering, and Mathematics (STEM) program; and (b) $125,000 for the Green Bay Boys and Girls clubs for the BE GREAT: Graduate program.

Joint Finance: Provide an additional $75,000 annually for grants to the Wisconsin Chapter of the Boys and Girls Club of America. Require DCF to award grants of up to $75,000 to the Green Bay Boys and Girls Clubs for the BE GREAT: Graduate program on a one-to-one matching basis in each year.

18. FOSTERING FUTURES: CONNECTIONS COUNT

FED	$360,300

Governor/Joint Finance: Provide $360,300 in 2016-17 to fund the Fostering Futures: Connections Count grant program, which supports neighbors and community leaders to connect vulnerable families with young children to formal and informal community support programs. Additional funding is also provided for 1.0 FED administrative staff position [See "State Administration of Wisconsin Works and Other Related TANF Programs," above.]

19. TRANSFER TO SOCIAL SERVICES BLOCK GRANT

FED	- $1,214,200

Governor/Joint Finance: Reduce the amount of funding for the transfer from TANF to the SSBG of $424,500 in 2015-16 and $789,700 in 2016-17. Total TANF transfers to DHS for the SSBG would be $15,018,700 in 2015-16 and $14,653,500 in 2016-17.

20. CHILD WELFARE SAFETY SERVICES

FED	- $6,382,300

Governor/Joint Finance: Reduce funding for child welfare safety services by $4,063,900 in 2015-16 and $2,318,400 in 2016-17 composed of: (a) an annual reduction of $2,386,900 from elimination of two contracts in BMCW; and (b) a reestimate of payment rates for Milwaukee home safety services of -$1,677,000 in 2015-16 and $68,500 in 2016-17. Total TANF funding under the bill would be $3,647,200 in 2015-16 and $5,392,700 in 2016-17.

21. CHILD WELFARE PREVENTION SERVICES

FED	- $200,000

Governor/Joint Finance: Reduce funding by $100,000 annually for child abuse and neglect prevention services in Milwaukee County. Such funding was previously made available for supervised parental visitation programs but went unused. Total TANF funding under the bill would be $1,389,600 annually.

22. TANF REVENUE ADJUSTMENTS [LFB Paper 210]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	- $3,748,000	$250,000	- $3,498,000
PR	11,937,500	0	11,937,500
Total	$8,189,500	$250,000	$8,439,500

Governor: Increase funding by $4,199,400 (-$4,539,000 FED and $8,738,400 PR) in 2015-16 and $3,990,100 ($791,000 FED and $3,199,100 PR) in 2016-17 to reflect: (a) a reassignment of $250,000 GPR from the child support enforcement program to fund W-2 and other TANF-related programs, which displaces an identical amount of federal funding (-$250,000 FED in 2015-16); (b) a reestimate of child care licensing fees (-$16,800 PR in 2015-16 and -$1,300 PR in 2016-17), resulting in an increase in federal funding to cover the lost revenue ($16,800 FED in 2015-16 and $1,300 FED in 2016-17); (c) savings from the reduction in funding transferred from the TANF block grant to DHS for SSBG aids ($424,500 FED in 2015-16 and $789,700 FED in 2016-17); (d) income augmentation funds carried over from 2014-15 which replace an equal amount of federal funding (-$4,730,300 FED and $4,730,300 PR in 2015-16); and (e) intra-agency transfers between accounts, which do not reflect increases in funding ($4,024,900 PR in 2015-16 and $3,200,400 PR in 2016-17).

The bill would limit the use of income augmentation funds for TANF-related programs to $4,730,300 and limit the expenditure of income augmentation funds to obligations incurred in the 2016 federal fiscal year.

Joint Finance: Reassign $250,000 GPR back to the child support enforcement program as discussed in "Child Support -- Child Support Revenue Reestimates," resulting in increased TANF expenditures of $250,000 FED.

23. EARNED INCOME TAX CREDIT [LFB Paper 215]

FED	$12,300,000

Joint Finance: Increase TANF funding to pay the refundable portion of the state earned income tax credit (EITC) by $5,100,000 in 2015-16 and by $7,200,000 in 2016-17. The increase in TANF funding for the EITC corresponds with a one-to-one decrease in GPR funding as discussed in "General Fund Taxes -- Income and Franchise Taxes." Total TANF funding for the EITC would be $67,600,000 in 2015-16 and $69,700,000 in 2016-17.

24. GENERAL EDUCATION DEVELOPMENT TEST ASSISTANCE

FED	$242,000

Joint Finance: Provide $127,000 in 2015-16 and $115,000 in 2016-17 to DCF to support general education development testing and preparation to individuals who are eligible to receive TANF.

25. ADULT LITERACY GRANTS

FED	$83,200

Joint Finance: Provide $41,600 annually to DCF to support adult literacy grants to provide services to individuals with low literacy or limited English proficiency skills who are eligible to receive TANF.

26. LEGAL SERVICES FOR LOW INCOME FAMILIES

FED	$1,000,000

Joint Finance: Provide $500,000 annually to DCF for a grant to the Wisconsin Trust Account Foundation, Inc. (WTAF), for distribution by WTAF of annual awards of up to $75,000 to programs that provide civil legal services to low income families which address civil legal needs related to domestic abuse, sexual abuse, and individual-at-risk restraining orders and injunctions. Specify that the grant funding may only be used to provide legal services in civil matters for which federal TANF block grant moneys may be used to individuals who are eligible to receive TANF and whose gross incomes are at or below 200% of the federal poverty level. Also, require that grant funding may not be used to provide legal services for litigation against the state. Specify that gross income has the same definition as used for determining eligibility for Wisconsin Works employment positions.

Require DCF to make a grant of $500,000 to WTAF in 2015-16 and 2016-17 if: (a) WTAF submits a plan to DCF which details the proposed uses of the grant (which must comply with the requirements described in the paragraph above) and the DCF Secretary (or his or her designee) approves the WTAF plan; (b) WTAF enters into an agreement with DCF which specifies the conditions for the use of the grant proceeds, including the requirements described in the paragraph above and training, reporting, and auditing; and (c) WTAF agrees in writing to comply with the reporting requirements discussed below.

Require that DCF may not provide a grant in 2016-17 unless: (a) WTAF submits a report to DCF within three months of spending the full amount of the 2015-16 grant which details how the funds were used; and (b) based upon the report, DCF determines that the grant proceeds were used in accordance with the approved plan. Require WTAF, if DCF awards the 2016-17 grant, to submit a report to DCF within six months of spending the full amount of the 2016-17 grant which details how the funds were used. Require that DCF may not provide grant funds after June 30, 2017.

Child Support

1. CHILD SUPPORT REVENUE REESTIMATE [LFB Paper 210]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Net Change
FED	- $485,300	$485,300	$0
PR	6,833,000	0	6,833,000
SEG	- 135,000	0	- 135,000
Total	- $6,212,700	$485,000	$6,698,000

Governor: Increase expenditure authority for state administration of child support activities based on reestimates of revenues of $2,953,700 (-$485,300 FED, $3,509,000 PR, and -$70,000 SEG) in 2015-16 and $3,259,000 ($3,324,000 PR and -$65,000 SEG) in 2016-17.

The increase in program revenue reflects a carryover of funding used to upgrade the child support information system. The decrease in federal revenues results from the transfer of $250,000 GPR from child support appropriations to TANF-related programs [See "Economic Support and Support Programs -- TANF Revenue Adjustments"]. The decrease in state spending causes a decrease in federal matching funds that otherwise would have been received for child support expenditures. The decrease in segregated revenue reflects lower estimates of interest earnings on the child support collections trust fund.

Joint Finance: Increase funding for child support activities by $485,300 FED in 2015-16 to reflect the reversal of the $250,000 GPR transfer described above, thereby avoiding the decrease of $485,300 in 2015-16 of federal matching funds received under Title IV-D of the Social Security Act.

2. FILING FEE EXEMPTION FOR VOLUNTARY PATERNITY ACKNOWLEDGMENT

Governor/Joint Finance: Eliminate the $194.50 filing fee to commence certain actions affecting the family for a child for whom paternity has been established by way of voluntary acknowledgment of paternity.

Current law requires a filing fee to commence certain actions affecting the family, including an action to establish paternity and to determine child support and legal custody and physical placement of a child. Such fees do not apply to certain actions or certain persons who commence the action. For example, there is no fee for an action to determine paternity brought by the state or its delegate or commenced on behalf of the child by a guardian ad litem, and no fee to determine child support and legal custody and physical placement of the child in the paternity action. However, under current law the filing fee is applicable to determine child support and legal custody and physical placement if paternity has been established by way of voluntary acknowledgement of paternity. DCF indicates that the filing fee, although applicable in cases of voluntary acknowledgment of paternity, is not currently being collected.

The bill would add to the actions exempt from the filing fee an action brought by the state (or its delegate) or a guardian ad litem to determine child support and legal custody and physical placement for a child for whom paternity has been established by way of voluntary acknowledgment of paternity. The exemption would apply to an estimated 6,000 cases per year.

3. REQUIRING FINANCIAL INSTITUTIONS TO PAY LEVIES SUBMITTED BY OTHER STATES

Governor/Joint Finance: Require financial institutions to pay child support levies submitted by other states, as described below.

Under current law, if a person who owes child support under a court order (the obligor) is delinquent in the payment of support, the delinquent amount is entered on the statewide support lien docket and becomes a lien in favor of DCF. DCF may enforce the lien by sending a notice of levy to the obligor's financial institution with instructions to prohibit the closing of or withdrawals from the obligor's account. As for a child support lien in favor of another state, DCF may enforce the lien by sending to the financial institution a request from the other state, along with a certification that due process requirements have been met in that state.

Under the bill, other states would be able send requests to enforce child support liens (with a due process certification) directly to the obligor's financial institution. The financial institution would be required to honor such requests and send the amount specified up to the amount contained in the obligor's account (minus any financial institution fee as well as levy fees and costs).

4. ASSIGNMENT OF BENEFITS FOR CHILD SUPPORT

Governor/Joint Finance: Allow state income continuation insurance benefits and, if the person's occupation is law enforcement or fire-fighting, duty disability benefits to be assigned to satisfy the person's support obligation, including arrearages.

For additional information see "Employee Trust Fund -- Assigning Public Employee Benefits for Child or Family Support."

5. TAX INTERCEPT OF DELINQUENT RECEIPT AND DISBURSEMENT FEES IN NON-IV-D CASES

Governor/Joint Finance: Modify current law to allow to require DCF to report delinquent payments of centralized receipt and disbursement (CR&D) fees to DOR in cases in which the child support payee does not receive services from county child support agencies. Under current law, DCF must certify certain delinquent payments to DOR, for the purposes of collection through interception of state income tax refunds. These certifications by DCF must be made for cases in in which the state is a real party in interest or in which the payee is receiving services under DCF's program for child and spousal support and establishment of paternity and medical support liability. The bill would provide that DCF must, at least annually, certify delinquent payments of CR&D fees that are owed in cases not involving persons receiving services from county child support agencies.

6. TERMINATION OF CHILD SUPPORT AND SPOUSAL MAINTENANCE SERVICES

Joint Finance: Authorize DCF to terminate child support and spousal maintenance services to an individual if there is no longer a current child support or maintenance order and the arrearage is either less than $500 or unenforceable. Change statutory language to provide that support or maintenance arrearages may be considered unenforceable if: (a) no support or maintenance payments have been collected for at least three years; and (b) all administrative and legal remedies for collection of arrearages have been attempted or are determined to be ineffective because the payer is unable to pay, the payer has no known income or assets, and there is no reasonable prospect that the payer will be able to pay in the foreseeable future.

Provide that DCF must notify the recipient of such services, or the initiating state in the case of an interstate case, of DCF's intent to terminate services in writing 60 calendar days prior to the termination of enforcement services. Require that services may not be terminated if the recipient of services, or the initiating state, supplies information in response to the notice which could lead to the enforcement of a support or maintenance order.

Provide that the former recipient of services may request at a later date that the services continue if there is a change in circumstances which could lead to the enforcement of an order by completing a new application for services and paying any applicable application fee.